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NATIONAL RECOVERY ADMINISTRATION

RESEARCH AND PLANNING DIVISION

EVIDENCE STUDY

NO. 21

OF

THE LEATHER INDUSTRY

Prepared by

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PRELIMINARY DRAFT

(NOT FOR RELEASE: FOR USE IN DIVISION ONLY)

THE EVIDENCE STUDY SERIES

The EVIDENCE STUDIES were originally planned as a means of gathering evidence bearing upon various legal issues which arose under the National Industrial Recovery Act.

These studies have value quite aside from the use for which they were originally intended. Accordingly, they are now made available for confidential use within the Division of Review, and for inclusion in Code Histories.

The full list of the Evidence Studies is as follows:

- | | |
|-------------------------------------|---|
| 1. Automobile Manufacturing Ind. | 23. Mason Contractors Industry |
| 2. Boot and Shoe Mfg. Ind. | 24. Men's Clothing Industry |
| 3. Bottled Soft Drink Ind. | 25. Motion Picture Industry |
| 4. Builders' Supplies Ind. | 26. Motor Bus Mfg. Industry (Dropped) |
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| 8. Cotton Garment Industry | 30. Plumbing Contracting Industry |
| 9. Dress Mfg. Ind. | 31. Retail Food (See No. 42) |
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| 16. Graphic Arts Ind. | 38. Structural Clay Products Ind. |
| 17. Gray Iron Foundry Ind. | 39. Throwing Industry |
| 18. Hosiery Ind. | 40. Trucking Industry |
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| 20. Iron and Steel Ind. | 42. Wholesale & Retail Food Ind. (See No. |
| 21. Leather | 43. Wholesale Fresh Fruit & Veg. 31) |
| 22. Lumber & Timber Prod. Ind. | |

In addition to the studies brought to completion, certain materials have been assembled for other industries. These MATERIALS are included in the series and are also made available for confidential use within the Division of Review and for inclusion in Code Histories, as follows:

- | | |
|------------------------------------|---|
| 44. Wool Textile Industry | 49. Household Goods & Storage, etc. (Drop- |
| 45. Automotive Parts & Equip. Ind. | 50. Motor Vehicle Retailing Trade Ind. ped) |
| 46. Baking Industry | 51. Retail Tire & Battery Trade Ind. |
| 47. Canning Industry | 52. Ship & Boat Bldg. & Repairing Ind. |
| 48. Coat and Suit Ind. | 53. Wholesaling or Distributing Trade |

L. C. Marshall
Director, Division of Review

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CONTENTS

	Page
Foreword	1
CHAPTER I - DESCRIPTION AND SCOPE	2
Definition of the Industry	2
Historical Background and Development	2
Founding of the Industry	2
Tanning Materials	2
Tools and Machinery	3
The Tanning of Sole Leather	3
The Tanning of Upper Leather	4
The Tanning of Other Leathers	4
Size of Units and Vertical Integration	4
General Stability of the Industry	5
Number of Establishments	5
Number of Members in the Industry	5
Establishments Classified by Value of Output	6
Number of Establishments by States	7
Capital Investment	8
Volume and Value of Production	8
Volume of Production by Kind of Leather	9
Value of Production by Type of Leather	10
Productive Capacity	11
Competing Materials	12
Net Worth, Working Capital, and Profits of Representative Com- panies	12
Failures and Liabilities	14
CHAPTER II - LABOR STATISTICS	15
Total Number of Employees	15
Seasonality of Employment	15
Number of Employees by States	15
Total Annual Wages	16
Annual Wages by States	16
Average Wages and Hours Worked	17

CONTENTS (Cont'd)

	Page
Average Hours and Earnings by States	17
Weeks Worked Per Year	18
Employees Under 16 Years of Age	18
Labor Cost	18
CHAPTER III - MATERIALS: RAW AND SEMI-PROCESSED.	20
Principal Materials Used	20
Cost of Materials	20
Source of Materials.	20
Supply of Raw Materials	21
CHAPTER IV - PRODUCTION AND DISTRIBUTION.	22
Production in Leading States	22
Exports	22
Value	22
Volume	23
Nature of Advertising	25
Trade-Marks	25
Methods of Distribution.	25
Wholesale Sales by Type of Wholesaler	26
Wholesale Sales by States	26
Methods of Shipment	27
Evidence of Interstate Commerce	27
CHAPTER V - GENERAL INFORMATION	28
Unfair Trade Practices	28
Price Competition	28
Trade Associations	28
Labor Conditions	29
Imports	29
Value	29
Value by Types of Leather	30
List of Experts	30

TABLES

	Page
TABLE I - Members of the Industry, by Number of Establishments Owned or Controlled, 1934	2
TABLE II - Establishments Classified by Value of Products, 1929	7
TABLE III - Number of Establishments by Principal States	8
TABLE IV - Volume and Value of Production	9
TABLE V - Volume of Production, by Principal Kinds of Leather	10
TABLE VI - Value of Production, by Type of Leather	11
TABLE VII - Utilization of Productive Capacity :	12
TABLE VIII - Percentage Profit or Loss on Invested Capital, for Seven Leading Leather Manufacturers	13
TABLE IX-A - Net Income and Net Working Capital, American Hide and Leather Company (Upper Leather)	13
TABLE IX-B - Net Income and Net Working Capital, United States Leather Company (Sole Leather)	14
TABLE X - Number of Failures and Amount of Liabilities	14
TABLE XI - Number of Employees, by Principal States	15
TABLE XII - Annual Wage Payments, by Principal States.	16
TABLE XIII - Average Hourly and Weekly Wages and Average Hours Worked Per Week	17
TABLE XIV - Average Hours and Average Earnings, by Principal States, 1932	17

TABLES (Cont'd)

	Page
TABLE XV - Labor and Material Costs Compared with Total Value of Product	18
TABLE XVI - Volume of Imports by Principal Kinds of Raw Hides and Skins	21
TABLE XVII - Value of Product, by Principal States	22
TABLE XVIII - Value of Exports, by Type of Leather	23
TABLE XIX - Volume of Exports, by Principal Kinds of Leather, 1929-1934	24
TABLE XX - Volume of Exports, by Type of Leather	24
TABLE XXI - Factory Sales, by Type of Distributing Agency, 1929	25
TABLE XXII - Net Sales of Leather by Type of Wholesaler, 1933	26
TABLE XXIII - Net Sales of Leather Wholesalers, by Principal States, 1929	27
TABLE XXIV - Value of United States Imports of Leather for Consumption, 1929-1934	29
TABLE XXV - Percentage Distribution of Value of Imports, by Type of Leather, 1929-1933	30

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THE LEATHER INDUSTRY

Foreword

Almost all the statistical information in this report refers to the Leather Tanning, Currying, and Finishing Industry, which comprises almost 90 per cent of the Industry as defined by the Code. Further information concerning the coverage of the data used appears in the first section of the report.

Publications of three government bureaus -- Census, Labor Statistics, and Foreign and Domestic Commerce -- supplied the bulk of the data included, while special compilations were obtained from the Tanners' Council and from Dun and Bradstreet. Limitations of these data are indicated in table footnotes.

The section dealing with trade practices, owing to the scarcity of data, has been combined with Chapter V.

CHAPTER I

DESCRIPTION AND SCOPE

Definition of the Industry

The Code definition of the Leather Industry includes all types of tanning and finishing; as well as cutting and other partial fabrication of leather. As used in this report the term "Leather Industry" covers tanneries--whether the hides and skins are owned, or tanned on a contract basis for the account of others-- and establishments engaged in currying and finishing leather. According to the Tanners' Council these concerns, in 1934, accounted for approximately 87 per cent of the employees of the Leather Industry as defined in the Code of Fair Competition. The remainder were employed by the producers of industrial belting, lace leather and leather laces; miscellaneous straps, packings and mechanical leathers for use on industrial machinery, excluding such leathers that a machinery manufacturer may make for equipment of his own production; cut soles; grain insoles, counters, box toes, and heels; and leather welting used in shoe manufacturing.

Historical Background and Development

Founding of the Industry. - The Leather Industry is one of the oldest of all industries, but where and when leather was first manufactured by white settlers in America is a disputed question. It is known, however, that attempts were made to establish tanneries in Massachusetts and Virginia prior to 1625. Salem and Lynn, Massachusetts, are generally considered the birth place of the domestic Leather Industry. Probably it was originally established in New England because the supply of hemlock bark (the chief source of tanning materials) available there seemed unlimited. Later, as this supply became depleted, the tanneries migrated to other sections. They sprang up all over the country with the growth of and spread of the population, but there is still a tendency to concentrate in certain localities. The more important of these so-called "leather centers" are Boston, Chicago, New York, Philadelphia, and Cincinnati---probably in the order given. Chicago and New York are also the main hide markets of this country today.

Tanning Materials. - Until the latter part of the eighteenth century, rule-of-thumb rather than scientific methods were used in tanning hides and skins. At the beginning of the nineteenth century it was demonstrated that many trees and plants not previously utilized for the purpose provided vegetable tanning materials in abundant quantity. This enabled localities formerly dependent upon outside supplies of leather to set up their own tanneries.

For many decades vegetable tanning materials were used almost exclusively, although experiments had been conducted with mineral tannins. Finally, toward the end of the nineteenth century, it was found that chromium salts produced a leather different from any which had ever been manufactured. This discovery was made in the United States, but it revolutionized the Industry in all parts of the world, because a chrome-tanned leather wears longer and is cheaper to produce than the vegetable-tanned leathers. Today over 90 per cent of our shoe-upper leather is of chrome or other mineral tannage, while many other kinds of leather formerly of

vegetable, alum, or oil tannage are now produced by the chrome process. Only about 7 per cent of our sole leather is chrome-tanned, however, as tannic-acid leather comes out thicker.

During the last fifty years or so more progress has been made in the art of tanning and the science involved given more attention than in all previous time. Also, in this same period, there has been a marked increase in the varieties of leather used for different purposes. Now a new era has begun in which synthetic materials are finding application and becoming more and more important.

Tools and Machinery. - The tools employed in tanning hides and skins remained practically unchanged through centuries. Improvements were mainly of American origin, and first put into practical use in this country. The splitting machine and a few improved mechanical devices came into the industry in the early part of the nineteenth century, but real progress was not made until the latter half. American machines revolutionized the industry, here and abroad, and made possible its organization on the basis of relatively low-cost, large-scale production, and the manufacture of a higher quality, more uniformly dependable product.

In the production of leather, machines are few and simple, however, and there is not much need for manual labor except in the various liftings and lowerings of the hides and skins. The chief advantage of improved machinery lies in shortening the length of the process, for the tanner's principal concern is the direction of price changes between the time the hides and skins are bought and the time the leather is sold. (The speculative side of the business so far outweighs the operating side in importance that it is generally understood that no money can be made in the Leather Industry--particularly in the manufacture of sole leather--except on a rising market.

The Tanning of Sole Leather. - When hides for sole leather arrive at the tannery, they are sorted into various grades and piled for ease in handling and to keep them moist. After trimming off the undesirable portions, the hides are tied together in bundles and dropped into water. They are soaked to remove dirt, salt, and blood and to bring them back to as soft and pliable a condition as when they came from the animal's back. Then they are placed in a solution of milk of lime and sodium sulphide for several days to loosen the hair and epidermis.

When the hides are hauled out of this solution, the hair is loose enough to come off readily in a dehairing machine; then they are worked over machines to scrape off the loose materials, clean the grain, and remove the excess flesh from the under side. Part of this work, particularly the finishing touches, is done by hand. Next the clean stock is returned to clear water to soak over night in order to remove the surface lime and to allow for a slight "plumping." A small amount of some acid, such as lactic, is often employed to speed the removal of the lime and the plumping.

The actual tanning operation is accomplished by suspending the hides in pits or vats containing a solution of tanning materials such as hemlock, chestnut, or quebracho extracts. The hides are first lowered into weak,

later into strong solutions. (the first liquors are called "the rockers," the final liquors "the layers") and after soaking from one to three months, depending upon the materials and process used, they have made the transition from hides to leather.

The Tanning of Upper Leather. - In the manufacture of upper leather, hides are also used to some extent, handled in what are known as "sides," but the most important raw materials are calf, goat, kangaroo, and colt skins. The same general preliminary treatment as for sole leather is necessary.

As stated earlier in this Chapter, over 90 per cent of all shoe-upper leather is chrome - or mineral-tanned. This is accomplished by treating the pickled skin with a solution containing the salts of chromium or other metals.

There is more need here for skilled labor than in the making of heavy leather. Also the capital investment in machinery and equipment and the initial investment in raw materials are greater for an upper-leather plant. The total amount invested is, however, considerably less per unit of leather manufactured than for a sole-leather tannery, because the turnover of hides is more rapid--the tanning process for upper leather requiring at most only a few weeks. This, and the fact that upper-leather lends itself to production in a comparatively small plant, accounts for the larger number of such tanneries.

The Tanning of Other Leathers. - The automobile and upholstery leather manufacturers utilize "spread" hides, i. e., those with a large area. The tanning is done with vegetable tanning materials, but the time factor is of no great significance as the hides are split into layers--often as many as four--and this allows of rapid tannage. Belting and harness leathers require a long tannage and processes very similar to sole leather. Fancy leathers may be of alum, chrome, or vegetable tannage depending upon whether they are to be used for pocketbooks, traveling cases, bill folds, book bindings, fancy shoes, or some other product. Here a great deal of skill is necessary and the labor employed is largely high-grade. Other classes of leather produced are bag and strap, raw hide of various kinds, lace, roller, whip, belt, chamois, hat-sweat, mechanical, piano, coat, washer, glove, and sporting.

Size of Units and Vertical Integration. - Like many other old handicraft industries, this Industry was originally composed of a large number of very small, privately-owned units. Just before the beginning of the twentieth century, however, a group of sole-leather tanners combined, believing that a combination of tanneries would have a stabilizing effect on both the price of hides and the price of leather.

The big packers found themselves at a disadvantage in dealing with large tanning companies, and in a short time Swift and Armour took over independent tanning outfits and proceeded to manufacture both upper and sole leather. In this way these packers not only protected themselves on hide prices, but also competed with the tanners in the sale of the finished product. Armour also went into the sole-cutting business, but the old-line tanners soon set up their own cutting departments in self defense.

Just as the packers started tanning to protect their hides, the shoe manufacturers began tanning to protect their leather prices. Thus, some of the tanners' best customers have made themselves not only practically independent of the tanners' services, but also real competitors of the regular tanners. It is not believed, however, that the packing tanner and the shoe-making tanner will ever be sufficient hides to supply the country's needs.

It is to the interest of the tanner to sell his leather in large pieces. He slices the tanned hides longitudinally down the middle, making two "sides" out of each hide; this is the unit he prefers to market because there is no waste and no further work. Some shoe manufacturers buy "backs," which are sides with the heads and bellies trimmed off. The tanning industry also supports a "middle-man" called the sole-cutter. He buys backs from the tanner, cuts them into soles, and sells the ready-made soles to the shoe factory. The sole-cutter resents the packers having forced the tanners into establishing cutting departments, and for that reason buys his leather from concerns whose main business is tanning.

General Stability of the Industry. - Other materials have replaced leather from time to time, but the number and variety of its uses continue to increase. Leather has natural qualities which cannot be duplicated and, consequently, the Industry as a whole enjoys a "key" position and in some respects a more than average degree of stability. In 1929 the Tanning, Currying, and Finishing Industry ranked thirty-ninth in number of wage earners and thirty-fifth in value of products among manufacturing industries. Two years later it was thirty-sixth in both number of wage earners and dollar volume of production.

Number of Establishments

The manufacture and finishing of leather is one of the country's more important basic industries. In 1929 there were 471 tanning, currying and finishing establishments in 28 states, according to the Census of Manufactures. They declined to 418 in 1931 and 373 in 1933. The Tanners' Council places the 1934 figure at 385. (See Table III.)

Number of Members in the Industry

The number of members of the Industry (operating companies) has been given by the Tanners' Council of America as around 320 for both 1933 and 1934. These are grouped in Table I according to the number of establishments they owned or controlled. From this table it can be seen that the vast majority of members own or control only one plant.

TABLE I

Members of the Industry, by Number
of Establishments Owned or Controlled, 1934

Number of Establishments Owned or Controlled	Number of Companies Controlling Specified Number of Establishments
Total	321
One	304
Two	4
Three	3
Four	2
Five	4
Six	1
Seven	1
Ten	1
Over Ten	1

Source: Tanners' Council, letter to NRA, Division of Review,
August 19, 1935.

Establishments Classified by Value of Output

The Census of Manufactures for 1929 shows the subjoined distribution of establishments according to value of products. No comparable information for later years is available. From Table II it can be seen that the largest number of establishments fall in the group producing 1,000,000 to 2,499,999 dollars worth of product in 1929. Only about a fifth of all establishments reported an annual production of less than \$100,000.

More than half the total value produced by the Industry came from establishments in the two groups, \$1,000,000 to \$2,499,999 and \$2,500,000 to \$4,999,999.

TABLE II

Establishments Classified by Value
of Products, 1929

Value of Products Per Establishment	Number of Establishments	Total Value of Products (Thousands)
Total	471	\$ 481,840
\$5,000 to \$19,999	18	213
20,000 to 49,999	36	1,188
50,000 to 99,999	44	3,361
100,000 to 249,999	83	14,093
250,000 to 499,000	67	23,784
500,000 to 999,999	80	56,963
1,000,000 to 2,499,999	90	146,775
2,500,000 to 4,999,999	41	138,514
5,000,000 and over	12	96,549

Source: Census of Manufactures, 1929, "Leather Goods: Tanned, Curried, and Finished." Census data do not cover establishments whose annual production is less than \$5,000.

Number of Establishments by States

The distribution of establishments by principal producing states is shown in Table III. The ten states listed contained 82 per cent of the total number of establishments in 1929 and 1931, and these states exclusive of Delaware contained 80 per cent of the total in 1933.

TABLE III

Number of Establishments
by Principal States

State	1929	1931	1933
U. S. Total	471	418	373
Delaware	11	9	a/
Illinois	26	25	23
Massachusetts	113	98	100
Michigan	13	13	11
New Jersey	51	44	36
New York	67	56	43
North Carolina	9	8	8
Ohio	18	17	14
Pennsylvania	62	57	46
Wisconsin	18	17	17
Other states	83	74	75

Source: Census of Manufactures, "Leather Goods: Tanned, Curried And Finished." Data do not include establishments whose annual production is less than \$5,000.

a/ Included in "Other States."

Capital Investment

The code application of the Leather Industry indicates a capital investment of \$475,000,000 in 1928, \$400,000,000 in 1930, and \$350,000,000 in 1932 and 1933, but the basis for these estimates is not stated. The Tanners' Council places the Industry's invested capital at \$280,000,000 for 1931 and about the same for 1934. This figure represents stock and surplus, less outside investments, as reported on the balance sheets.

The Census of Manufactures shows a capital investment of \$332,180,000 in 1914 compared with \$671,342,000 in 1919, the latest year reported. These figures, while probably not comparable with those in the preceding paragraph, give a good idea of the tremendous growth of the tanning, currying, and finishing business during the war.

Volume and Value of Production

The United States is the largest single producer of leather in the world, accounting for about 35 per cent of the world total in 1931, according to data published by the Bureau of Foreign and Domestic Commerce in the Commerce Yearbook. It is also the largest consumer of leather, using approximately 90 per cent of the domestic output.

Total volume of production amounted to 1,414,000 square feet in 1929, as shown in Table IV. As already suggested, volume decline during the depression years was relatively slight in this Industry--amounting from 1929 to 1933 to only about 14 per cent, and, by the end of 1934, much of this loss had been regained.

Table IV also presents data on value of production which shows that the decline, from 1929 to 1933, amounted to more than 50 per cent. It will be noted that a larger quantity of leather was marketed in 1933 than in 1931, but that the total value was smaller. The Tanners' Council estimates the 1934 value figure at \$260,000,000, which represents only about a 10 per cent recovery from the 1933 low.

TABLE IV
Volume and Value of Production

Year	Volume <u>a/</u> (Thousands of Square Feet)	Value <u>b/</u>
1929	1,414,000	\$ 481,340,299
1931	1,195,300	271,137,694
1933	1,222,100	237,202,228
1934	1,313,800	260,000,000 E

Source: As indicated in footnotes.

E Estimated

a/ From the Tanners' Council; Includes cattle hide leathers, calf and kip skin leathers, goat and kid, and sheep and lamb skin leathers, but excludes cabretta, a comparatively small item.

b/ 1929, 1931, and 1933 figures from Census of Manufactures; "Leather Goods: Tanned, Curried, and Finished." Data do not include establishments with an annual production of less than \$5,000. (Includes receipts for contract work, products not normally belonging to the Industry and by-products of tanning, carrying, and finishing leather.) 1934 figure estimated by Tanners' Council.

Volume of Production by Kind of Leather

Production of the principal products of the Industry, by kind of leather for the years 1929, 1931, 1933, and 1934, is given in Table V. It will be noted that the trend of production was downward in the case of the three skin groups, but upward for hides and cabrettas.

TABLE V

Volume of Production, by Principal
Kinds of Leather
(In thousands)

Kind of Leather	1929	1931	1933	1934
Cattle Hides ^{a/}	19,146	16,234	17,115	19,771
Calf and Whole Kip Skins	15,564	12,438	13,049	12,442
Goat and Kid Skins	55,686	48,337	44,312	44,982
Sheep and Lamb Skins ^{b/}	38,983	32,443	33,881	34,255
Cabrettas	2,899	3,144	3,154	3,358

Source: Tanners' Council, May 1935, special compilation for NRA, Research and Planning Division.

^{a/} Equivalent hides.

^{b/} Fleshers not included.

In terms of number of pieces, according to the Bureau of Foreign and Domestic Commerce, 77 per cent of the 1931 total went into shoe leathers, 10 per cent into glove leather, 2 per cent into fancy, bookbinding, and kindred lines, and the balance into belting, bag, harness, upholstery and miscellaneous leathers.

Value of Production by Type of Leather

Table VI presents value of production data by type of leather produced, for the years 1929, 1931, and 1933. In the latter year upper leather--other than patent--accounted for nearly one-half the total value produced; and sole and belting leather, a little more than one-quarter. The groups in which the sharpest declines occurred from 1929 to 1933 were upholstery, and saddlery and harness leathers.

TABLE VI

Value of Production, by Type of Leather
(In thousands)

Type of Leather	1929	1931	1933
Upper, Other than Patent	\$185,202	\$107,168	\$102,661
Sole and Belting	139,496	74,579	60,551
Glove and Garment	23,025	15,303	17,609
Patent, Other than Upholstery	24,840	11,289	7,400
Upholstery	15,401	4,139	1,875
Bag Case, and Strap	7,308	3,397	2,634
Saddlery and Harness	6,092	1,846	1,951
Other ^{a/}	56,944	35,961	22,289
Total ^{b/}	458,308	253,682	216,970

Source: Census of Manufactures, "Leather Goods: Tanned, Curried, and Finished." Data do not include establishments whose annual production is less than \$5,000. Data for 1934 not available. Values are based on f.o.b. tannery prices.

^{a/} Consists of skirting, collar, lace, welting, fancy and bookbinders leather, side splits and other leather.

^{b/} Does not include receipts for contract work on materials owned by others, by-products, and products not normally belonging to the Industry.

Productive Capacity

No estimate of the productive capacity of the Industry is available, but it is generally agreed that it is excessive in view of the gradually declining market over the past decade. The May 22, 1935, issue of Standard Trade and Securities states, "The number of tanning establishments has been gradually reduced in line with the shrinking market for leather, but the Industry still possesses a productive capacity greatly exceeding present consumptive requirements." An article in Fortune, February 1935, says, "During the war the tanning capacity of the country expanded so much that the Industry still has an overproduction hangover."

In its code application, the Industry made estimates of the total productive capacity and aggregate annual sales of tanning, currying, and finishing establishments. These estimates, which also indicate excessive productive capacity, are the basis of the percentages given in Table VII, which show the extent to which productive capacity has been utilized in specified years since 1928.

TABLE VII

Utilization of Productive Capacity

Year	Per Cent Utilization
1928	70
1930	60
1932	54
1933	68

Source: Computed by NRA, Division of Review,
from data in code application.

Competing Materials

During leather's long history other materials, such as textiles, rubber, and cellulose have replaced it for certain purposes, but the uses for leather itself tend to increase rather than decrease. The Industry has, however, been forced to contend with a long-term downward trend in consumption, largely attributable to the increasing use of leather substitutes. In addition, important markets for leather have disappeared because of technical changes. For example, the use of harness leather has declined because of the development of the tractor and automobile; and in the factory, the utilization of individual motors has decreased the need for industrial belting.

A specific and important example of serious competition from substitute materials is found in the case of shoe soles. The price advantage of the composition sole--mostly rubber--makes it a potent competitor of the leather sole. Good leather soles for men's shoes run from 35 to 40 cents a pair; for women's, from 15 to 20 cents. Top price for composition soles is 16 cents for men's, 8 cents for women's. Inroads of the composition sole and other leather substitutes are shown by the fact that in 1923 the domestic consumption of cattlehide leathers--most of which are used in making sole leather--totaled slightly more than 25 million hides, whereas, in 1934 the number was only about 18½ millions.

Regarding the matter of using other materials in the place of leather, the Chairman of the Committee on Leather Substitutes of the Tanners' Council late in 1934 stated, "In the opinion of this committee, the Leather Industry is confronted with a real task if it is to halt competition from substitutes." It was also stated that with a subnormal supply of hides during the next few years, increasing prices will allow substitutes a greater opportunity to displace leather,

Net Worth, Working Capital, and Profits of Representative Companies

The net worth of ten representative tanning companies on January 1, 1934, aggregated \$35,907,000, compared with \$24,766,000 a year before, according to data contained in the Monthly Letter of the National City Bank of New York for April 1935. The same concerns reported a deficit of

\$2,560,000 for 1934, contrasted with a net profit of \$7,869,000 for the previous year.

The Standard Statistics Company in its May 22, 1935, issue of Standard Trade and Securities states that the seven leading concerns in the Leather Industry obtained satisfactory returns on combined invested capital in only two years since 1920, namely, 1927 and 1933, and that those periods coincided with intervals of sharply rising hide and leather prices. The percentage profit or loss is shown in Table VIII.

TABLE VIII

Percentage Profit or Loss on Invested Capital, for
Seven Leading Leather Manufacturers

Year	Percentage	
1929	D-	6.6
1931	D-	7.3
1933		8.3
1934	D-	3.3

Source: Standard Statistics Company, Standard Trade and Securities, May 22, 1935.

D Deficit.

The net income and net working capital of two leading leather concerns--one producing upper leather and the other sole leather--are shown in Tables IX-A and IX-B, for the years 1929, 1931, 1933, and 1934.

TABLE IX-A

Net Income and Net Working Capital,
American Hide and Leather Company (Upper Leather)

Year (Ending June 30)	Net Income		Net Working Capital
1929	D-	\$ 1,594,000	\$ 3,345,000
1931	D-	704,000	2,783,000
1933		628,000	2,801,000
1934		501,000	3,208,000

Source: Standard Statistics Company, Standard Trade and Securities, May 22, 1935.

D Deficit.

TABLE IX-B

Net Income and Net Working Capital,
United States Leather Company (Sole Leather)

Year (Ending Oct. 31)	Net Income	Net Working Capital
1929 ^{a/}	D- \$ 3,709,000	\$ 26,489,000
1931 ^{a/}	D- 1,109,000	15,236,000
1933 ^{b/}	981,000	11,896,000
1934	D- 1,911,000	10,280,000

Source: Standard Statistics Company, Standard Trade and Securities, May 22, 1935.

D Deficit.

^{a/} Year ending December 31.

^{b/} Ten months ending October 31.

Failures and Liabilities

The number of failures in the industry and the amount of liabilities involved for the years 1929, 1931, 1933, and 1934, are set forth in Table X. Although the data in this table seem to indicate a marked decline in the size of the firms failing since 1931, no such conclusion may validly be drawn without further information about the individual concerns, in view of the small number involved.

TABLE X

Number of Failures and Amount
of Liabilities

Year	Number of Failures	Amount of Liabilities
1929	6	\$ 222,988
1931	3	287,610
1933	5	105,586
1934	3	13,530

Source: Dun and Bradstreet; special compilation prepared for NRA, Research and Planning Division, May 1935.

CHAPTER II

LABOR STATISTICS

Total Number of Employees

The average number of wage earners in the tanning, currying, and finishing establishments of the Leather Industry was 49,932 during 1929, 42,047 in 1931, and 44,191 in 1933. The average for 1934 has been estimated at 49,600.^{1/}

Seasonality of Employment

Although it is generally understood that the demand for leather, particularly sole leather, is seasonally slack in the spring months, no regular seasonal fluctuations in employment in the Industry as a whole are evident in the monthly data.

Number of Employees by States

The average number of wages earners employed in each of the ten leading states is given in Table XI, for the years 1929, 1931, and 1933. A breakdown by states is not available for 1934. These ten states contained 88 per cent of the total wage earners in 1929; 89 per cent in 1931; and the nine leading states accounted for 82 per cent of the total employees in 1933. The relative positions of the 3 most important states--Massachusetts, Pennsylvania, and New York--did not change during the years covered by the Table. Although the general trend was downward, the 1933 figures were higher than the 1931 figures in 4 states, namely, Massachusetts, Michigan, Wisconsin--and to a lesser extent, in Ohio.

TABLE XI

Number of Employees, by Principal States

State	1929	1931	1933
U. S. Total	49,932	42,047	44,191
Delaware	2,686	1,964	a/
Illinois	3,661	3,479	3,403
Massachusetts	10,707	8,657	9,980
Michigan	2,070	1,990	2,511
New Jersey	4,159	3,330	2,303
New York	5,354	4,715	4,684
North Carolina	1,329	1,008	912
Ohio	1,529	1,361	1,384
Pennsylvania	8,876	7,924	7,834
Wisconsin	3,791	2,916	3,381
Other states	5,770	4,653	7,796

(Continued on following page)

^{1/} See Table XI. Basic data for 1934 estimate from Bureau of Labor Statistics, Trend of Employment. Index of factory employment for the Tanning, Currying, and Finishing Industry multiplied by the Census base figure and adjusted by NRA, Research and Planning Division, to the 1933 Census totals.

TABLE XI (Cont'd)

Source: Census of Manufactures, "Leather Goods: Tanned, Curried, and Finished." Data for establishments with an annual production of less than \$5,000 are excluded. 1934 data are not available.

a/ Included in "Other states."

Total Annual Wages

Total annual wages paid were \$63,413,707 in 1929, \$49,541,526 in 1931, and \$43,076,000 in 1933. The 1934 figure has been estimated at \$53,196,000.^{1/}

Annual Wages by States

Annual wage payments in each of the ten leading states are shown for the years 1929, 1931, and 1933, in Table XII. A breakdown by states is not available for 1934. The ten states listed accounted for about 90 per cent of total wage paid in 1929 and 1931. In 1933 the nine leading states accounted for 85 per cent of the total. As in the case of number of employees, Massachusetts, Pennsylvania, and New York were the most important states--in the order mentioned--in each of the years for which the data are given.

TABLE XII

Annual Wage Payments, by Principal States
(In thousands)

State	1929	1931	1933
U. S. Total	\$ 63,414	\$ 49,542	\$ 43,076
Delaware	3,170	2,239	a/
Illinois	4,946	4,076	3,547
Massachusetts	14,207	10,698	11,078
Michigan	2,534	2,068	1,854
New Jersey	6,004	4,478	2,493
New York	7,021	6,497	5,723
North Carolina	1,132	721	588
Ohio	2,198	1,693	1,303
Pennsylvania	11,324	9,463	7,198
Wisconsin	4,648	3,059	2,831
Other states	6,180	4,549	6,456

Source: Census of Manufactures, "Leather Goods; Tanned, Curried, and Finished." Data for establishments with an annual production of less than \$5,000 are excluded. 1934 data are not available.

a/ Included in "Other states."

^{1/} See Table XII. Basic data for 1934 estimate from Bureau of Labor Statistics, Trend of Employment. Index of factory payrolls for the Tanning, Currying, and Finishing Industry multiplied by the Census base figure and adjusted by NRA, Research and Planning Division, to the 1933 Census totals.

Average Wages and Hours Worked

The average hourly and weekly wage and the average hours worked per week per employee are given in the following tabulation. It will be seen that although hourly rates were somewhat higher in 1934 than in 1929, weekly earnings were considerably lower, due to the shortened work week.

TABLE XIII

Average Hourly and Weekly Wages and
Average Hours Worked Per Week

Year	Average Hourly Wages ^{a/}	Average Weekly Wages ^{b/}	Average Hours Worked Per Week ^{a/}
1929	\$.505	\$25.50	47.5
1931	.485	22.89	45.0
1933	.438	18.94	41.6
1934	.536	20.24	36.7

Source: As indicated in footnotes.

^{a/} 1929 and 1931 data from National Industrial Conference Board, Service Letter, adjusted by NRA, Research and Planning Division, to Bureau of Labor Statistics data. 1933 and 1934 data from Bureau of Labor Statistics Trend of Employment.

^{b/} Bureau of Labor Statistics, Trend of Employment.

Average Hours and Earnings by States

A bulletin published by the Bureau of Labor Statistics provides data on average hours actually worked and average wages in the Industry for fifteen states. The unusually low weekly wages in North Carolina are due to a combination of a short work week (29 hours) and extremely low hourly wages--the lowest of any state surveyed. The highest wages were paid in New York, New Jersey, and New England, with hourly earnings of more than 52 cents and weekly wages of \$22.00 or higher. (See Table XIV.)

TABLE XIV

Average Hours and Average Earnings,
by Principal States, 1932

State	Average Hours Actually Worked Per Week	<u>Average Earnings</u>	
		Hourly	Weekly
Delaware	39.8	\$.401	\$ 15.94
Illinois and Missouri	39.7	.464	18.45

(Continued on following page)

TABLE XIV (Cont'd)

Kentucky and Tennessee	41.4	.362	15.80
Massachusetts and New Hampshire	42.8	.523	22.38
Michigan	45.0	.359	16.16
New Jersey	44.4	.524	23.25
New York	42.5	.529	22.48
North Carolina	29.0	.309	8.97
Ohio	45.1	.477	21.51
Pennsylvania	44.6	.468	20.89
West Virginia	33.1	.372	12.29
Wisconsin	40.0	.411	16.45
Average, above states	42.0	.471	19.74

Source: Bureau of Labor Statistics, Wages and Hours of Labor in the Leather Industry, 1932 (Bulletin No. 589). The study was based upon a 57 per cent sample of wage earners.

Weeks Worked Per Year

No accurate information is available on the average number of weeks actually worked in a year per employee, but reliable estimates by members of the Industry place the average at approximately 45 weeks.

Employees Under 16 Years of Age

According to the general report on occupations in the Population Census, there were 186 employees under 16 years of age listed for the Industry in 1930, the only recent year for which such data are available. Of this total, 125 were classified as operatives and 61 as laborers. It should be noted that these data refer not to the number actually employed in that year, but to the number reporting themselves as belonging, by occupation, to this Industry.

Labor Cost

Wages in the Leather Industry constituted 13.2 per cent of the total value of product in 1929, according to the Census of Manufactures, and increased to 18.2 per cent in 1931 and 1933. Detailed information is presented in Table XV.

TABLE XV
Labor and Material Costs Compared with Total
Value of Product

Year	Total Value of Product	Total Labor Cost		Total Material Costs/	
		Amount	Per Cent of Total	Amount	Per Cent of Total
1929	\$431,340,299	\$63,413,707	13.2	\$337,597,868	70.1
1931	271,137,694	49,541,526	18.3	172,785,669	63.7
1933	237,202,000	43,076,000	18.2	133,177,000	58.3

TABLE XV (Cont'd)

Source: Census of Manufactures, "Leather Goods: Tanned, Curried, and Finished." Data do not include establishments whose annual production is less than \$5,000.

a/ Includes "fuel and purchased electric energy." Cost of fuel and purchased electric energy constituted 2.3 per cent of total cost of materials in 1927 and 2.0 per cent in 1929.

CHAPTER III

MATERIALS: RAW AND SEMI-PROCESSED

Principal Materials Used

The principal raw materials used in the manufacture of leather are steer, cow, bull, and horse hides, and calf, kip, goat, kid, sheep, lamb, and other skins. (When referring to leather, the raw material is referred to either as hides or skins. The pelts from large animals such as the cow and horse are termed hides, while those from the smaller animals are known as skins. There is a stage of growth, however, between the calf and the cow when the covering is known as kip.)

The more important tanning and other materials used by the Industry are tanning extracts; hemlock, chestnut, oak, spruce, quebracho, and various other barks, woods, and plants from which tannic acid is derived; chromium salts and other mineral tannages; lime, sodium, sulphide, lactic and sulphuric acid, dyes, bleaches, finishes, and other chemicals; and cod, menhaden, petroleum, linseed, sulphonated, and other oils.

Cost of Materials

The Industry's total cost of materials, including fuel and purchased electric energy (which amounted to 2.3 per cent of the aggregate in 1927 and 2.0 per cent in 1929), fell off from \$337,597,868 in 1929, according to the Census of Manufactures, to \$172,785,669 in 1931 and \$138,176,928 in 1933. Materials represented 70.1 per cent of the total value of products in 1929, 63.7 per cent in 1931, and 58.3 per cent in 1933. Comparable data for 1934 are not available. (See Table XV.)

The best estimates within the Industry place the value of tanning extracts consumed by the Industry in a year at \$9,000,000. Deducting this amount and two per cent for fuel and purchased electric energy leaves roughly \$160,000,000 in 1931 and \$126,000,000 in 1933 as the aggregate spent for hides and skins, chemicals, and other materials. The amount expended for chemicals and other materials is, of course, quite small in relation to the cost of the raw stock.

Source of Materials

Hides and skins used in the manufacture of leather are produced in practically every state of the Union and a great many foreign countries. In spite of the large domestic supply of cattle hides, calfskins, and sheepskins, our tanning industry imports a considerable volume of raw stock, including almost the entire quantity of goat and kidskins tanned in the United States. Within comparatively recent years, this country has taken a place among the major importers of hides and skins.

Imported cattle hides are received principally from Argentinian, Canada, and Brazil, in the order named; calf and kip skins from Canada, France, Germany, Sweden, and other European Countries; sheep and lamb skins from New Zealand, Argentina, United Kingdom, Brazil, and British Africa; and goat and kid skins from British India, China, Hongkong, and Brazil.

The volume of the principal kinds of raw hides and skins imported is shown in Table XVI. These kinds show no increase during the recovery period, 1934 imports being markedly below 1933.

TABLE XVI

Volume of Imports by Principal Kinds of Raw Hides and Skins
(In thousands)

Kind	1929	1931	1933	1934
Cattle Hides	5,508	1,880	2,758	1,341
Calf and Kip Skins	8,726	5,323	6,292	2,084
Goat and Kid Skins	60,133	42,864	50,764	40,304
Sheep and Lamb Skins	25,839	16,323	21,939	14,229

Source: Bureau of Foreign and Domestic Commerce,
Commerce Yearbook.

A large part of the tanning materials, such as bark and wood, extracts, oils, dyes, and chemicals is produced in various parts of the United States. The remainder is imported from Great Britain and Continental European Countries, Argentina, India, Asia Minor, Sicily, and Central America.

Some tanners still make their own tannin, the active tanning ingredient which is largely produced from bark, (except in chrome tanning where basic chromium sulphate is the active agent), but the majority of tanners buy their extracts ready for use. Most of the extracts today are manufactured from oak and hemlock bark, chestnut and spruce wood, and from quebracho, which comes from the Argentine. Tannin is also derived from myrobolan, a nut of India; valonia, a nut of Asia Minor; sumac bark from Sicily; divi divi pods from Central America; and other sources. The tanners purchase the extracts from the producers' domestic agents, who also usually handle tannin made in this country.

Supply of Raw Materials

The supply of raw materials is very largely governed by the operations of the meat-packing and livestock industries. While a few animals are killed solely for their skins, most hides and skins are by-products of the slaughtering and meat-packing business. The tanners buy practically all their domestic raw stock direct from the packers; and their imports through brokers located in this country.

As already indicated domestic requirements for hides and skins are normally very much in excess of the number of animals slaughtered for food in the United States. As a result, while this country ranks second only to Germany as an exporter of leather, it is also one of the leading importers of hides and skins.

CHAPTER IV

PRODUCTION AND DISTRIBUTION

Production in Leading States

The value of the leather produced in each of the ten leading states is given below. Comparable information regarding the volume of production is not obtainable.

The ten states listed produced about 87 per cent of the total value in 1929, and 88 per cent in 1931. The nine leading states accounted for about 85 per cent of the 1933 total.

TABLE XVII

Value of Product, by Principal States
(In thousands)

State	1929	1931	1933
U. S. Total	\$481,340	\$271,138	\$237,202
Delaware	20,613	10,860	a/
Illinois	37,479	20,501	20,586
Massachusetts	38,348	50,051	48,630
Michigan	19,250	10,143	10,116
New Jersey	39,565	22,405	13,335
New York	53,794	33,288	29,510
North Carolina	13,017	8,465	6,562
Ohio	15,975	9,379	8,750
Pennsylvania	95,959	60,282	43,523
Wisconsin	30,015	14,077	15,653
Other states	62,325	31,637	40,537

Source: Census of Manufactures, "Leather Goods: Tanned, Curried, and Finished." Data for establishments whose annual product is less than \$5,000 are excluded.

a/ Included in "Other states."

Exports

Value. - Whereas the United States is second only to the United Kingdom as an importer of leather, and second only to Germany as an exporter of leather, the balance of trade in this commodity is in our favor, roughly two to one. As shown in Table XVIII exports in 1934 were valued at \$15,806,000, or only a little more than one-third the 1929 figure.

TABLE XVIII

Value of Exports, by Type of Leather
(In thousands)

Type of Leather	1929	1931	1933	1934
Upper, Other than Patent				
Total	\$27,058	\$14,177	\$7,299	\$9,544
Cattle Side-Grain	3,106	1,293	1,013	1,538
Finished Splits	610	234	105	227
Wax and Rough Splits	1,636	453	111	120
Calf and Whole Kip	7,363	2,409	1,293	1,990
Sheep and Lamb	1,087	682	225	451
Goat and Kid <u>a/</u>	12,640	8,733	4,341	4,913
Other Upper, not Patent <u>b/</u>	616	375	211	255
Patent Upper				
Total	8,247	7,543	4,424	3,342
Cattle Side	6,856	6,720	4,273	3,237
Goat and Kid	876	456	127	62
Horse and Colt	269	97	6	4
Other Upper, Patent	246	70	18	39
Sole	2,736	1,535	310	655
Glove	1,131	697	539	760
Other <u>c/</u>	3,771	1,861	1,207	1,705
Grand Total	42,943	25,613	13,779	15,806

Source: Bureau of Foreign and Domestic Commerce: 1929 and 1931 data from Commerce Yearbook, 1933 and 1934 data from Monthly Summary of Foreign Commerce.

a/ Includes glazed kid.

b/ Includes horse and colt.

c/ Consists of harness, collar, saddlery, upholstery, automobile, fancy, case, bag, strap, reptilian, and other leathers and tanned skins.

Volume. - Tables XIX and XX, present data showing volume of exports, by kind and type of leather, respectively. In neither table is the unit of measure the same for all items listed, and it is therefore not possible to present totals.

It will be noted from Table XIX that exports of two of the groups were smallest in 1932; for the other two, they were smallest in 1933. In only one case--that of cattle hides--was the 1934 figure lower than the 1933. The 1934 exports of calf and kip skins, and goat and kid skins, although higher than the 1933 figure, were still less than half the 1929 volume.

TABLE XIX

Volume of Exports, by Principal Kinds of Leather,
1929-1934
(In thousands)

Kind of Leather	1929	1930	1931	1932	1933	1934
Cattle Hides	1,061	1,079	1,163	857	895	770
Calf and Kip Skins	2,037	1,469	930	621	684	898
Goat and Kid Skins	8,754	3,094	7,264	4,536	4,176	4,247
Sheep and Lamb Skins	1,145	795	1,118	527	511	635

Source: Tanners' Council of America, special compilation for NRA,
Research and Planning Division.

As can be seen from Table XI, the volume of certain types of leather exports was still declining in 1934. Three out of the four "patent upper" group exported less in that year than in 1933. Several items showed much less than half the 1929 volume.

TABLE XX

Volume of Exports, by Type of Leather

Type of Leather	Unit (000's)	1929	1931	1933	1934
Upper, Other than Patent					
Cattle Side					
Grain	square feet	11,131	6,857	6,076	7,368
Finished Splits	" "	3,921	2,355	1,340	2,035
Wax and Rough Splits	pounds	3,465	1,370	344	406
Calf and Whole Kip	square feet	20,245	9,582	6,827	8,983
Sheep and Lamb	square feet	8,218	8,494	3,997	5,203
Goat and Kid <u>a/</u>	square feet	41,328	35,067	20,467	21,053
Other Upper, not Patent <u>b/</u>	square feet	2,130	1,611	1,006	1,156
Patent Upper					
Cattle Side	square feet	22,710	34,391	27,322	19,412
Goat and Kid	square feet	1,935	1,249	406	176
Horse and Colt	square feet	697	354	24	13
Other Upper, Patent	square feet	834	373	111	224
Sole	pounds	9,951	8,723	1,558	3,743
Glove	square feet	5,962	3,086	1,889	2,634

Source: Bureau of Foreign and Domestic Commerce: 1929 and 1931 data from Commerce Yearbook, 1933 and 1934 data from Monthly Summary of Foreign Commerce.

a/ Includes glazed kid.

b/ Includes horse and colt.

Nature of Advertising

Advertising by manufacturers of leather has been rather sporadic and more in the nature of publicity than of advertising. The Industry as a whole does not favor advertising by its individual members. The media generally used are trade journals, magazines, newspapers, and window displays.

Trade-Marks

Practically all the products of the Leather Industry are trade-marked when they leave the tannery, but only a very small percentage--probably around one or two per cent--of these identifying marks are discernible after the leather has been cut and made into boots and shoes, gloves, luggage, and other articles. In the case of cut soles, however, probably about 50 per cent--the better quality grades produced by each establishment--carry the trade-mark of the manufacturer.

Methods of Distribution

Leather manufacturers distribute their product by direct sales contact with industrial and other large consumers, as well as with the wholesale dealers; and also through the manufacturers own sales branches to dealers and consumers. The relative importance of these outlets may be seen in Table XXI, which is based upon data for 1929, the latest available on this matter. It will be seen from this table that nearly one-half of all sales are made directly to industrial and other large consumers. The next most important type of agency is the wholesaler to whom nearly one-third of the sales are made.

TABLE XXI
Factory Sales, by Type of Distributing
Agency, 1929

Type of Agency	Factory Sales (000's)	Per Cent of Total
Industrial and Other		
Large Consumers	\$ 190,052	47.6
Wholesalers <u>a/</u>	150,314	32.6
Manufacturers' Own		
Wholesale Branches <u>b/</u>	79,177	19.3
Manufacturers' Agents, Brokers, etc.	61,590	15.4
Total	399,543	100.0

Source: Bureau of the Census, Distribution of Sales of Manufacturing Plants, 1929. Data do not include establishments whose annual production is less than \$5,000. Total sales are less than total value of production by amount of contract work, inter-plant transfers, and inventory changes.

a/ Includes sales to retailers.

b/ Includes sales to manufacturers' retail branches.

It may be well to state here that a large part of the Leather Industry's output is carried within the Industry to the point of finished soles and other cut-shoe stock. These are generally sold to the boot and shoe manufacturers directly or through sales branches, together with sides and backs. They are also sold through jobbers to the shoe-rebuilding trade. The major portion of the remainder of the Industry's products is distributed directly or through its own branches, and by wholesalers, to manufacturers of such products as bags, luggage, and fancy leather goods, gloves, saddlery and harness, athletic goods, upholstery, automobiles, and furniture.

Wholesale Sales by Type of Wholesaler

In 1933 there were 433 wholesalers of all types handling leather, and their net sales totaled \$106,992,000, of which \$53,112,000--or about half--was sold by 307 wholesalers proper. During 1929, net sales of the 552 wholesalers of leather amounted to \$288,752,000, of which \$129,361,000 was sold by wholesalers proper, who numbered 397 in that year. The 1933 net sales were accounted for as set forth in Table XXII.

TABLE XXII
Net Sales of Leather by Type of Wholesaler, 1933

Type	Number of Establishments	Net Sales (000's)
Wholesalers Proper	307	\$ 53,112
Manufacturers' Own Sales		
Branches with Stocks	51	23,616
Commission Merchants	15	11,706
Selling Agents	16	8,652
Manufacturers' Agents	27	4,110
Manufacturers' Own Sales		
Branches without Stocks	22	3,461
Brokers	5	2,635
Total	433	106,992

Source: Census of American Business, Wholesale Distribution, 1933.
Data do not include wholesalers with an annual business of less than \$1,000.

Wholesale Sales by States

The distribution of wholesale sales by leading states is shown in Table XXIII for the year 1933. Massachusetts alone accounted for more than half the total. New York, Pennsylvania, and Illinois were the next most important states, in the order mentioned.

TABLE XIII
Net Sales of Leather Wholesalers,
by Principal States, 1929 a/
(In thousands)

State	Net Sales
U. S. Total	\$ 289,752
California	5,937
Connecticut	494
Illinois	18,074
Massachusetts	156,226
Missouri	7,701
New York	51,609
Ohio	7,663
Pennsylvania	19,990
Other states	21,053

Source: Census of Wholesale Distribution, 1929. Data do not include wholesalers with an annual business of less than \$1,000.

a/ "Leather wholesalers" are here defined to mean wholesale establishments whose major line business is leather.

Methods of Shipment

The Industry's products are shipped mostly by railroad freight, but an undetermined portion is also delivered by truck. Only a very small amount--largely samples and highly seasonal or styled merchandise--is forwarded by express or parcel post.

Evidence of Interstate Commerce

Regarding the interstate character of the Industry, it may be worthwhile to note the interstate character of the operations of some leather concerns, as suggested by facts appearing in Hoody's Manual of Industrials for 1934. A company with its headquarters in New York owned tanneries in 9 states; extract companies in 3; lands growing bark and timber, and other properties in 4 states. A Philadelphia leather manufacturer had plants in 2 states, while one in Ohio had subsidiaries or affiliated companies in 6 states.

A Maine leather producer owned plants in 3 other states, operated 8 branches in leather centers of the United States, and maintained connections in various foreign countries. A firm with its main office in Philadelphia had tanneries and an extract company in another state, and warehouses in 2 states.

CHAPTER V

GENERAL INFORMATION

Unfair Trade Practices

The most prevalent unfair trade practices prior to the inception of the Code were the imitation and simulation of designs, patterns, trade names, and trade-marks of other leather manufacturers; the allowance of excessive discounts and long-term credits to favored customers; the use of post-datings; the failure to penalize buyers for overdue accounts; the abuse of forward ordering; and the anticipation of discounts by invoicing at equivalent net prices.

Other unfair trade practices employed by members of the Industry were false and misleading advertising, mislabeling, and misbranding; substituting inferior materials without the purchaser's knowledge or permission; allowing secret rebates and refunds; giving free samples; granting advertising allowances which lower the price below the seller's cost; giving time guarantees; defaming competitors and their products; misappropriating competitor's business by inducing breach of contracts; espionage, and piracy of patents and copyrights; and excessive claims and unjustifiable returns on the part of the buyers, attributable mostly to the nature of leather.

Standard Trade and Securities for May 22, 1935, states that the over-capacity of the Tanning, Currying, and Finishing Industry has led to intense competition, below cost selling, and generally unwholesome trade conditions.

Price Competition

There are no "areas" in the leather business and the tanners sell their products in all sections of the country in a highly competitive market. The old-line tanners fight each other, frequently giving the consumers the benefit of the sensitive price fluctuations to their own detriment, (while the packer-tanners do not engage in such "cut-throat" competition). In consequence, the prices of leading members of the Industry or of those in a certain region have a far-reaching influence on the national price structure of leather.

Trade Associations

The Tanners' Council of America includes in its membership practically the entire Tanning, Currying, and Finishing Industry. It was established in the latter part of 1917 through the amalgamation of the National Association of Tanners, the Morocco Manufacturers' Association, and the Patent and Enamel Leather Manufacturers' Association. Collateral trade organizations are the American Leather Belting, the Grain Insole, Box Toe and Counter Manufacturers' the Welting, the Cut Sole, the National Hat and Cap Leather, and the National Heel Manufacturers' Associations.

The active members of the Council are classified into the following groups:

Sole and Belting
Harness and Collar
Side Upper and Patent

Bag, Case and Strap
Calf and Kip
Goat and Cabretta
Sheep and Glove
Fancy
Upholstery

These groups have complete autonomy. From among the membership of the Council any group may form any auxiliary or affiliated organization for the purpose of serving specific or local group interests as well as the general objectives of the larger association.

Any individual, partnership, or corporation engaged in tanning or the manufacture of leather is eligible to become an active member of the Tanners' Council. Exclusive selling agents of tanning firms may also become members provided their principals are members. Membership fees are based on annual production of leather by individual firms, adjusted among the various divisions to take into consideration selling values of leather. The minimum annual dues for tanners or exclusive selling agents are \$100 per year, and for leather finishers, \$50 per year.

Labor Conditions

The Industry is not nationally unionized, and hours and wages are usually determined either by local tanning associations or by individual companies.

Much of the labor in a tannery is skilled or semi-skilled, and where the plant is located away from the big centers very little labor turnover is felt. In the larger centers, however, the turnover is more pronounced, due to the fact that the workers float from one plant to another. The Industry as a whole has been regarded as "backward" in developing machinery for certain departments, attributable perhaps to its ability to obtain cheap labor for these departments.

Imports

Value. - It was stated in the foregoing Chapter on Production and Distribution that the United States is the second largest importer of leather in the world. Table XXIV gives only the total value of imports for consumption. The 1934 imports, which were less than 15 per cent of the 1929 figure, were considerably lower than the 1933 imports and somewhat below those for 1932.

TABLE XXIV

Value of United States Imports of Leather for Consumption, 1929 - 1934.
(In thousands)

Years	Value (000's)
1929	\$ 44,541
1930	23,128
1931	10,759
1932	6,919
1933	9,240
1934	6,347

Source: Bureau of Foreign and Domestic Commerce, Commerce Yearbook.

Value by Types of Leather. - Table XXV gives a percentage breakdown of the value of leather imports, by type of leather, showing that upper leather (except patent) usually accounts for approximately two-thirds to three-fourths of total imports.

TABLE XXV

Percentage Distribution of Value of Imports,
by Type of Leather, 1929 - 1933

Type of Leather	1929	1930	1931	1932	1933
Upper, Except Patent	65.3	63.4	71.6	76.5	63.9
Patent	2.8	1.7	0.6	0.7	0.4
Sole	6.4	10.5	5.7	4.9	9.8
Glove and Garment	0.1	0.4	1.3	1.0	1.4
Other Finished	7.8	10.6	16.9	15.9	22.0
Other Rough	17.6	13.4	3.9	1.0	2.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Bureau of Foreign and Domestic Commerce,
Commerce Yearbook.

List of Experts

A list of seven experts in the Industry follows, together with their addresses and affiliations. These persons were all members of the General Planning Committee of the Leather Industry under the Code.

- Mr. Harold Connett (Kid)
Vice President, Surpass Leather Company,
Fifth and Westmoreland Streets,
Philadelphia, Pennsylvania.
- Mr. Carl F. Danner (Sole Leather)
President, American Hide and Leather Company,
17 East Street,
Boston, Massachusetts.
- Mr. Percival E. Foerderer,
President, R. H. Foerderer Company,
Philadelphia, Pennsylvania.
- Mr. Willard Helburn (Sheep)
President, Helburn-Thompson Company,
12 Goodhue Street,
Salem, Massachusetts.
- Mr. V. G. Lumbard (Calf)
President, Ohio Leather Company,
1052 North State Street,
Girard, Ohio.

Mr. David G. Ong, (Sole Leather)
President, United States Leather Company,
27 Spruce Street,
New York, New York.

Mr. Merrill A. Watson,
Director, Trade Survey Bureau,
Tanners' Council of America,
100 Gold Street,
New York, New York.

